

Original

Section 100.340 Petition For the Adoption of a Rule to the Illinois Liquor Control Commission

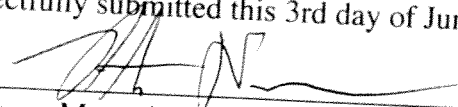
Proposed Rule 100.343 "Charitable Event Private Function Exception"

I, Pat Doerr, on behalf of the Hospitality Business Association of Chicago (HBAC) a non-profit Association of retailers under the jurisdiction of the Illinois Liquor Control Commission, in my capacity as HBAC's managing director, do hereby petition the Illinois Liquor Control Commission to Adopt a Rule regarding Charitable Events and the Private Function Exception to the Illinois Happy Hour Law for the following reasons:

- 1) The Hospitality Business Association of Chicago is a non-profit association of more than one hundred locally owned small businesses that are retail licensees of the Illinois Liquor Control Commission.
- 2) It is essential for small businesses in the Illinois hospitality industry to have clear and concise regulations interpreting the Illinois Liquor Control Act so as to ensure compliance with the law and responsible service of beer, wine, and spirits.
- 3) Since it's adoption by the State of Illinois, the Happy Hour Law as codified at 235 ILCS 5/6-28 "Happy Hours Prohibited" has including the statutory exception of 235 ILCS 5/6-28 (b): "No retail licensee or employee or agent of such licensee shall.... sell, offer to sell, or serve to any person an unlimited number of drinks of alcoholic liquor during any set period of time for a fixed price, except at private functions not open to the general public".
- 4) A substantial number of retailers subject to Illinois Liquor Control Commission jurisdiction regularly host all inclusive charitable events where a substantial portion of the charitable event admission fee is generated for a bona fide charitable organization for benefit of their programming and services and supporters of these organizations, and organizations themselves may share them in a variety of media.
- 5) Because promotion and marketing of all inclusive charitable fundraising events may lead to regulatory confusion for private hosts, charitable organizations, Commission Licensees, regulatory authorities, and other industry stakeholders, and thus impair the ability of these valuable charity events to operate, clarification of Commission policy on these all inclusive bona fide charitable events is critical.

For the foregoing reasons, and in order that the Illinois hospitality industry may have clear guidance on compliance with hosting bona fide charitable events pursuant to the private event exception to the Happy Hour Law, we respectfully urge the Commission adopt the attached proposed rule "100.343 Charitable Event Private Function Exception" and submit it to the Joint Committee on Administrative Rules for adoption pursuant to the Illinois Administrative Procedure Act and/or in the alternative hold a subject matter hearing on the topic at it's earliest convenience for further discussion of the issue.

Respectfully submitted this 3rd day of June, 2014.


Pat Doerr, Managing Director

Hospitality Business Association of Chicago
3023 North Clark Street #276, Chicago, Illinois 60657 312-494-5880

Proposed Charitable Event Private Function Rule

100.343 Charitable Event Private Function Exception

Charitable Fundraiser Private Function Exception pursuant to the Illinois Liquor Control Act and 235 ILCS 5/6-28

Conditions of a Charitable Private Function:

- (A) Bona Fide Charitable Beneficiary - For purposes of this rule, a licensee or third party offering or promoting a charitable event at a retail licensee under Commission jurisdiction may advertise or otherwise publicly communicate information about their private function exempt charitable event when; (1) the charitable beneficiary is registered and in good standing with the Illinois Secretary of State and/or Internal Revenue Service as a non-profit organization, and; (2) the licensee can demonstrate with reasonable evidence that 30% (thirty percent) or more of the gross funds collected for entry, admission or participation to the charitable event were remitted to the registered non-profit organization within 21 (twenty one) calendar days of the event.
- (B) Prearrangement - Retail license holder shall agree in writing before the event, and in any case not less than 24 hours prior to the event, with the third party host of the event and/or bona fide charitable organization benefitting from the event, on event terms and refreshment offerings and agreed charitable donation per the expected number of guests. Terms of the agreement can be amended during the event to accommodate extended hours or larger than expected guest attendance. Licensee shall retain all written contracts required under this Rule for a period of not less than one year following the event.
- (D) Dedicated event space - Events hosted by licensee under this exception shall be held in a room or otherwise clearly delineated space within the licensee's premises reserved for the exclusive use of the events' invitees during the entirety of the event.
- (E) Third party host need not be the registered charity - For purposes of this rule, Licensees hosting these events are not required to hold a written contract directly with the Bona Fide Charitable Beneficiary Organization. Licensees may enter into contracts to host these Bona Fide Charitable events with any third party, however payment of event proceeds must be made directly by Licensee to the Bona Fide Charitable Organization.
- (F) Walk in guests permitted - In order to effectuate the important public policy of supporting charitable organizations, attendees of bona fide charitable events subject to this rule are not required to pay, or otherwise register in advance, in order to attend bona fide charitable events under this limited private event exception.
- (G) Licensee's compliance with each element of this Charitable Event Private Party Exception shall create a rebuttable presumption that the event is permitted under the Illinois Liquor Control Act.